



CITATION: ASSESSMENT OF FINE AND ORDER OF ABATEMENT

To: 121 Venus Corporation, Owner
 California Institute of the Healing Arts and Sciences
 2377 Gold Meadow Way, Suite 100
 Gold River, CA 95670

INSTITUTION CODE: 3404281
CITATION NUMBER: 1920078
CITATION ISSUANCE/SERVICE DATE: October 17, 2019
DUE DATE: November 16, 2019
FINE AMOUNT: \$ 3,501.00
ORDER OF ABATEMENT INCLUDED: YES

Christina Villanueva issues this Citation: Assessment of Fine and Order of Abatement (Citation) in her official capacity as Enforcement Manager of the Bureau for Private Postsecondary Education (Bureau) of the California Department of Consumer Affairs.

CITATION

A Citation is hereby issued to 121 Venus Corporation, (Owner) of California Institute of the Healing Arts and Sciences located at 2377 Gold Meadow Way, Suite 100 Gold River, CA 95670 pursuant to Business and Professions Code section 125.9; California Education Code (CEC) section 94936; and Title 5 of the California Code of Regulations (5 CCR) section 75020 for the violations described below.

BACKGROUND

On April 6, 2019, Bureau staff conducted an unannounced onsite Compliance inspection at the Institution. As a result of twelve minor violations that were unable to be cleared before the end of the inspection, the Institution was issued Notice to Comply #CU 3404281 0419 (NTC). The Institution was given thirty days from the date of the inspection to either remedy all violations listed in the NTC or submit a written Notice of Disagreement. A Notice of Disagreement was not received, and the Institution was only able to clear eleven of twelve violations.

VIOLATION(S)

#	The California Education Code (CEC) and the California Code of Regulations (CCR). Below you will find the code section(s) of law you are charged with violating.
1.	<u>Violation:</u> CEC Section 94935(b)(h) – Notice to Comply <i>(b) An institution that receives a notice to comply shall have no more than 30 days from the date of inspection to remedy the noncompliance.</i>

(h) If an institution fails to comply with a notice to comply within the prescribed time, the bureau shall take appropriate administrative enforcement action.

The Institution failed to comply with the NTC within the prescribed time of 30 days. The Institution was unable to submit proof of compliance with the following laws and regulations:

5, CCR section 76130(b)(1)(2)(3)(4) Collection and Submission of Assessments

Order of Abatement:

The Bureau orders the Institution to submit proof of compliance with all NTC violations listed above. See attached Notice to Comply.

Assessment of Fine

The fine for this violation is \$501.00

2. **Violation:**

5, CCR Section 71930 (e) – Maintenance of Records

(e) All records that the institution is required to maintain by the Act or this chapter shall be made immediately available by the institution for inspection and copying during normal business hours by the Bureau and any entity authorized to conduct investigations.

5, CCR, Section 76140 (b) – Record-Keeping Requirements

(b) The qualifying institution shall maintain the data required under this section in an electronic format that is readily available and open to inspection by the Bureau upon request. The institution shall make the records immediately available to a Bureau representative conducting a site inspection or, upon written request, shall provide a copy within 14 calendar days of the request. All records shall be provided to the Bureau in an intelligible and orderly manner and in an electronic format.

5, CCR Section 74112 (m) – Uniform Data—Annual Report, Performance Fact Sheet

(m) Documentation supporting all data reported shall be maintained electronically by the institution for at least five years from the last time the data was included in either an Annual Report or a Performance Fact Sheet, and shall be provided to the Bureau upon request; and the data for each program shall include at a minimum:

Violation: 5, CCR Sections 71930 (e) and 76140 (b): The Institution failed to provide the Bureau with substantiating data points for the information reported on the following Student Tuition Recovery Fund Assessment (STRF) Forms:

- Second, Third, and Fourth Quarters of 2015
- First, Second, Third, and Fourth Quarters of 2016
- First, Second, Third, and Fourth Quarters of 2017
- First, Second, Third, and Fourth Quarters of 2018
- First Quarter of 2019

Violation: 5, CCR sections 71930 (e) and 74112 (m): The Institution failed to provide the Bureau with the substantiating data for the 2015/2016 School Performance Fact Sheet (SPFS).

Order of Abatement:

The Bureau orders the Institution to submit supporting documentation for the STRF Forms (listed above) as well as the supporting documentation for the 2015/2016 SPFS. Additionally, the Institution shall submit to the Bureau an established policy, or procedure, that identifies how all the

	<p>required substantiating documentation will be tracked and electronically maintained to be readily available to the Bureau upon request.</p> <p><u>Assessment of Fine:</u> The fine for this violation is <u>\$2,000.00</u>.</p>
3.	<p><u>Violation:</u> CEC Section 94897(j)(3) – Prohibited Business Practices <i>(j) In any manner make an untrue or misleading change in, or untrue or misleading statement related to, a test score, grade or record of grades, attendance record, record indicating student completion, placement, employment, salaries, or financial information, including any of the following:</i> <i>(3) Any other record or document required by this chapter or by the bureau.</i></p> <p>The Institution reported untrue or misleading data in its 2016 Annual Report, specifically Section #2 “Information for each Educational Program Offered at the Institution.” The Institution reported multiple statistics that were inconsistent with the coinciding sections of the Institution’s 2015-2016 School Performance Fact Sheet (SPFS).</p> <p><u>Order of Abatement:</u> The Bureau orders the Institution to submit a corrected 2016 Annual Report, specifically Section #2 “Information for each Educational Program Offered at the Institution.” The information reported should be consistent with the coinciding sections of the Institutions 2015-2016 SPFS. Additionally, the Bureau orders the Institution to submit a policy, or procedure, of how the Institution will maintain compliance per CEC Section 94987(j)(3).</p> <p><u>Assessment of Fine:</u> The fine for this violation is <u>\$1,000.00</u>.</p>
4.	<p><u>Violation:</u> 5, CCR Section 71745(a)(6) – Financial Resources <i>(a) The institution shall document that it has at all times sufficient assets and financial resources to do all of the following:</i> <i>(6) Maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year when using generally accepted accounting principles, or for an institution participating in Title IV of the federal Higher Education Act of 1965, meet the composite score requirements of the U.S. Department of Education. For the purposes of this section, current assets does not include: intangible assets, including goodwill, going concern value, organization expense, startup costs, long-term prepayment of deferred charges, and non-returnable deposits, or state or federal grant or loan funds that are not the property of the institution but are held for future disbursement for the benefit of students. Unearned tuition shall be accounted for in accordance with general accepted accounting principles.</i></p> <p>The Institution’s 2016 Financial Statements demonstrate that the Institution’s current ratio is 1.09 to 1. The requirements of 5, CCR Section 71745 (a)(6) state that the Institution shall maintain a ratio of current assets to current liabilities of 1.25 to 1.00 or grater at the end of the most recent fiscal year.</p> <p><u>Order of Abatement:</u> The Bureau orders the institution to:</p> <ol style="list-style-type: none"> 1. Submit a detailed plan to address its financial shortfalls and to meet the ratio of current assets to current liabilities of 1.25 to 1.00 or greater at the end of the most recent fiscal year in accordance with 5, CCR section 71745 (a)(6).

	<p>2. In addition, please provide an explanation of all measures to be taken by the Institution to ensure it meets future financial responsibilities.</p> <p>3. Please provide the Bureau with, in electronic format: a) a roster of all currently enrolled students that includes the student (1) names, (2) addresses, (3) telephone numbers, (4) email addresses, (5) program in which they are enrolled, (6) date of enrollment, (7) total cost of the program and (8) the total amount the student has paid.</p> <p><u>Assessment of Fine:</u> This fine for this violation is <u>\$00.00</u>.</p>
TOTAL ADMINISTRATIVE FINE DUE: \$3,501.00	

ASSESSMENT OF A FINE

In accordance with CEC section 94936; and 5 CCR Sections 75020 and 75030, the Bureau hereby orders this assessment of fine in the amount of **\$3,501.00** for the violations described above. **Payment must be made, to the Bureau, within 30 days from the date of service of the Citation.**

COMPLIANCE WITH ORDER OF ABATEMENT

In accordance with the provisions of CEC Section 94936 and 5 CCR Section 75020 the Bureau hereby issues the order(s) of abatement described above. **Evidence of compliance with the order(s) of abatement must be submitted, to the Bureau, within 30 days from the date of service of the Citation.**

APPEAL OF CITATION

You have the right to contest this Citation through an informal conference with the Bureau; and/or through an administrative hearing in accordance with Chapter 5 (Commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

If you wish to contest this Citation, you must submit the 'Notice of Appeal of Citation – Request for Informal Conference and/or Administrative Hearing' form (enclosed) within 30 days from the date of service of the Citation. *If you do not request an informal conference and/or an administrative hearing within 30 days from the service of the Citation, you will not be able to request one at a later time.*

Unless a written request for an informal conference and/or an administrative hearing is signed by you and delivered to the Bureau by **November 16, 2019**, you will be deemed to have waived or forfeited your right to appeal this matter.

EFFECTIVE DATE OF CITATION

If you do not request an informal conference and/or an administrative hearing, this Citation shall become effective on **October 17, 2019**. Payment of the administrative fine and evidence of compliance with the order(s) of abatement shall be due by **November 16, 2019**. Your payment of the administrative fine shall not constitute an admission of the violation(s) charged.

If a hearing is requested, you will not be required to comply with this Citation until 30 days after a final order is entered against you.

Payment of the administrative fine and/or written request for appeal must be mailed to:

Gabriella Perez, Discipline Citation Program
Bureau for Private Postsecondary Education
2535 Capitol Oaks Drive, Suite 400
Sacramento, CA 95833

Failure for an applicant or institution to abate the violation(s) listed above or to pay the administrative fine within the time allowed may result in denial of an application for an approval or renewal to operate; disciplinary action, and/or collection action. The Bureau will promptly take all appropriate action to enforce this Citation and recover the civil penalties prescribed therein or found to be due after a hearing.

CONTACT INFORMATION

If you have any questions regarding this Citation, or desire further information, please contact Gabriella Perez, Citation Analyst, at (916) 621-2593 or Gabriella.Perez@dca.ca.gov.

Christina Villanueva
Discipline Manager

Date

Enclosures

- Notice to Comply #CU 3404281 0419
- Applicable Laws Violated
- Statement of Rights: Appeal Process Information Sheet
- Notice of Appeal of Citation: Request for Informal Conference and/or Administrative Hearing
- Payment of Fine – Waiver of Appeal
- Declaration of Service by Certified and First-Class Mail